

The Institute of World Politics

Financial Report
July 31, 2021

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Independent Auditor's Report

Executive Committee
The Institute of World Politics

Report on the Financial Statements

We have audited the accompanying financial statements of The Institute of World Politics (the Institute), which comprise the statements of financial position as of July 31, 2021 and 2020, the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Institute as of July 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2021, on our consideration of the Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Institute's internal control over financial reporting and compliance.

RSM US LLP

Washington, D.C.
December 14, 2021

The Institute of World Politics

Statements of Financial Position
July 31, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	\$ 2,782,514	\$ 503,020
Tuition receivables, net of allowances for doubtful accounts and discounts (2021 – \$10,000; 2020 – \$13,241)	85,803	124,754
Contributions receivable, net	466,706	2,103,708
Prepaid expenses and other assets	141,482	129,947
Restricted cash	1,365,607	430,302
Investments	3,866,233	3,466,635
Investments held for split-interest agreement	444,082	382,411
Property and equipment, net	9,704,224	9,912,956
	<u>\$ 18,856,651</u>	<u>\$ 17,053,733</u>
Liabilities and Net Assets		
Liabilities:		
Line of credit	\$ -	\$ 350,000
Accounts payable and accrued expenses	88,718	102,094
Deferred tuition and revenue	134,737	76,959
Refundable advances	1,270,560	1,101,529
Long-term debt, net of issuance costs	7,177,833	7,432,355
Paycheck Protection Program promissory note	718,275	718,275
Interest rate swap	210,261	389,284
Capital lease obligations	23,377	35,384
Annuity obligations	122,598	148,563
	<u>9,746,359</u>	<u>10,354,443</u>
Commitments and contingencies (Note 10)		
Net assets:		
Without donor restrictions		
Undesignated	3,377,579	1,306,753
Board-designated	270,676	175,934
	<u>3,648,255</u>	<u>1,482,687</u>
With donor restrictions	5,462,037	5,216,603
	<u>9,110,292</u>	<u>6,699,290</u>
	<u>\$ 18,856,651</u>	<u>\$ 17,053,733</u>

See notes to financial statements.

The Institute of World Politics

Statement of Activities
Year Ended July 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Student tuition and fees, net of discounts and scholarships of \$773,938	\$ 2,408,556	\$ -	\$ 2,408,556
Contributions	2,528,382	1,776,815	4,305,197
Investment income, net	320,513	820,659	1,141,172
Other	51,458	-	51,458
Higher Education Emergency Relief Fund	462,464	-	462,464
Forgiveness of Paycheck Protection Program promissory note	718,275	-	718,275
Net assets released from restrictions	2,352,040	(2,352,040)	-
Total revenue and support	8,841,688	245,434	9,087,122
Expenses:			
Program	4,425,917	-	4,425,917
Management and general	1,926,506	-	1,926,506
Fundraising	502,720	-	502,720
Total expenses	6,855,143	-	6,855,143
Other gains:			
Unrealized gain on interest rate swaps	179,023	-	179,023
	179,023	-	179,023
Change in net assets	2,165,568	245,434	2,411,002
Net assets:			
Beginning	1,482,687	5,216,603	6,699,290
Ending	\$ 3,648,255	\$ 5,462,037	\$ 9,110,292

See notes to financial statements.

The Institute of World Politics

Statement of Activities
Year Ended July 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Student tuition and fees, net of discounts and scholarships of \$827,578	\$ 2,409,094	\$ -	\$ 2,409,094
Contributions	2,355,277	1,761,820	4,117,097
Investment income, net	153,737	339,421	493,158
Other	36,967	-	36,967
Net assets released from restrictions	949,174	(949,174)	-
Total revenue and support	<u>5,904,249</u>	<u>1,152,067</u>	<u>7,056,316</u>
Expenses:			
Program	4,539,889	-	4,539,889
Management and general	1,846,120	-	1,846,120
Fundraising	604,271	-	604,271
Total expenses	<u>6,990,280</u>	<u>-</u>	<u>6,990,280</u>
Other losses:			
Unrealized loss on interest rate swaps	(455,288)	-	(455,288)
	<u>(455,288)</u>	<u>-</u>	<u>(455,288)</u>
Change in net assets	(1,541,319)	1,152,067	(389,252)
Net assets:			
Beginning	<u>3,024,006</u>	<u>4,064,536</u>	<u>7,088,542</u>
Ending	<u>\$ 1,482,687</u>	<u>\$ 5,216,603</u>	<u>\$ 6,699,290</u>

See notes to financial statements.

The Institute of World Politics

Statement of Functional Expenses
Year Ended July 31, 2021

	Program	Management and General	Fundraising	Total
Salaries	\$ 2,945,595	\$ 756,172	\$ 286,257	\$ 3,988,024
Other employee benefits	250,868	80,717	68,432	400,017
Other professional fees	139,705	267,210	7,213	414,128
Payroll taxes	235,802	55,774	20,650	312,226
Depreciation and amortization	193,197	66,972	29,460	289,629
Accounting	-	253,547	-	253,547
Interest expense	101,512	101,687	20,302	223,501
Occupancy	94,974	60,129	14,482	169,585
Conferences, conventions and meetings	13,904	4,619	1,953	20,476
Office expenses	47,695	29,470	8,877	86,042
Advertising	116,421	559	30	117,010
Pension plan contributions	85,041	30,827	6,314	122,182
Publications and subscriptions	94,570	6,009	4,358	104,937
Miscellaneous	47,687	57,157	8,667	113,511
Insurance	21,589	40,782	3,292	65,663
Information technology	27,292	43,317	8,460	79,069
Legal	-	52,782	-	52,782
Travel	2,448	-	2,460	4,908
Printing	6,998	10,297	9,133	26,428
Dues	619	8,479	2,380	11,478
	<u>\$ 4,425,917</u>	<u>\$ 1,926,506</u>	<u>\$ 502,720</u>	<u>\$ 6,855,143</u>

See notes to financial statements.

The Institute of World Politics

**Statement of Functional Expenses
Year Ended July 31, 2020**

	Program	Management and General	Fundraising	Total
Salaries	\$ 2,877,499	\$ 717,886	\$ 335,479	\$ 3,930,864
Other employee benefits	347,299	57,149	70,194	474,642
Other professional fees	148,289	226,143	2,030	376,462
Payroll taxes	231,931	51,956	27,559	311,446
Depreciation and amortization	195,289	44,703	29,263	288,642
Accounting	-	274,322	-	274,322
Interest expense	140,110	115,991	21,036	257,750
Occupancy	96,742	66,702	14,525	177,969
Conferences, conventions and meetings	42,466	62,750	12,604	117,820
Office expenses	62,546	36,813	7,814	107,173
Advertising	100,859	671	535	102,065
Pension plan contributions	71,100	24,873	324	96,297
Publications and subscriptions	83,672	6,834	933	91,439
Miscellaneous	45,894	28,279	12,879	87,052
Insurance	27,019	42,150	4,048	73,217
Information technology	33,092	22,817	4,969	60,878
Legal	-	47,392	10,962	58,354
Travel	23,166	8,457	20,199	51,822
Printing	12,138	1,531	27,085	40,754
Dues	778	8,701	1,833	11,312
	<u>\$ 4,539,889</u>	<u>\$ 1,846,120</u>	<u>\$ 604,271</u>	<u>\$ 6,990,280</u>

See notes to financial statements.

The Institute of World Politics

Statements of Cash Flows Years Ended July 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 2,411,002	\$ (389,252)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	289,629	288,642
Amortization of debt issuance costs	20,478	19,387
Realized and unrealized gain on investments, net	(1,127,335)	(440,219)
Realized and unrealized (gain) loss on swap, net	(179,023)	455,288
Bad debt expense	30,290	15,524
Forgiveness of Paycheck Protection Program promissory note	(718,275)	-
Contributions restricted to investment in perpetuity	-	(10,000)
Changes in assets and liabilities:		
(Increase) decrease in:		
Tuition receivables	8,661	(26,308)
Contributions receivable	1,637,002	(1,113,886)
Prepaid expenses and other assets	(11,535)	(29,403)
Increase (decrease) in:		
Accounts payable and accrued expenses	(13,376)	20,166
Deferred tuition and revenue	57,778	64,077
Refundable advances	169,031	39,622
Net cash provided by (used in) operating activities	2,574,327	(1,106,362)
Cash flows from investing activities:		
Proceeds from sales of investments	4,576,441	3,683,455
Purchases of investments	(3,910,375)	(3,927,451)
Purchases of property and equipment	(80,897)	(28,722)
Net cash provided by (used in) investing activities	585,169	(272,718)
Cash flows from financing activities:		
Contributions restricted to investment in perpetuity	-	10,000
Payments on capital lease obligations	(12,007)	(2,400)
Payments on annuity obligations	(25,965)	(25,965)
Repayments on line of credit	(350,000)	(150,000)
Payments on note payable	(275,000)	(268,000)
Proceeds from Paycheck Protection Program	718,275	718,275
Net cash provided by financing activities	55,303	281,910
Net increase (decrease) in cash and cash equivalents	3,214,799	(1,097,170)
Cash and cash equivalents (including restricted cash):		
Beginning	933,322	2,030,492
Ending	\$ 4,148,121	\$ 933,322
Supplemental disclosure of noncash financing activities:		
Cash paid for interest	\$ 203,023	\$ 238,363
Forgiveness of Paycheck Protection Program promissory note	\$ 718,275	\$ -

See notes to financial statements.

The Institute of World Politics

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: The Institute of World Politics (the Institute) is a graduate Institute of national security and international affairs dedicated to developing leaders with a sound understanding of international realities and the ethical conduct of statecraft based on knowledge and appreciation of the principles of the American political economy and the Western moral tradition. The classrooms, library and administrative offices of the Institute are located in Washington, D.C.

The Institute offers a Doctoral program, Master's degrees, certificate and continuing education programs with a professional curriculum covering the various elements of statecraft. It includes an interdisciplinary foundational course of study of the relevant elements of comparative political culture, Western moral precepts, practical political economics and political and diplomatic history. All degrees are designed for students who are pursuing a career in the international affairs, intelligence or national security fields.

A summary of the Institute's significant accounting policies follows:

Basis of presentation: The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (the Codification). As required by the Not-for-Profit Entities Topic of the Codification, the Institute is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions: Represent resources that are neither invested in perpetuity, nor purpose or time restricted by donor-imposed stipulations. Board-designated net assets represent funds set aside by the Institute's Board of Trustees to support the Institute's programs and activities. Undesignated net assets represent funds available for general operations.

Net assets with donor restrictions: Represent resources whose use is limited by donor-imposed stipulations that either expire by the passage of time, are invested in perpetuity or can be fulfilled and removed by actions of the Institute pursuant to these stipulations. Net assets may be restricted for various purposes, such as use in future periods or use for specified parties. Earnings on endowment funds are either net assets with donor restrictions for program purposes or are available for operations as specified by the donor.

Cash equivalents: The Institute considers money market funds, demand deposits and certificates of deposit, which are highly liquid and mature within three months, to be cash equivalents.

Restricted cash: Restricted cash pertains to the Institute's restricted endowments and includes one restricted cash account and money market funds included in investment portfolios.

Financial risk: The Institute maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. The Institute has not experienced any losses in such accounts. The Institute believes it is not exposed to any significant financial risk on cash.

The Institute invests in a professionally managed portfolio that contains money market funds, government and corporate bonds, mutual funds and corporate stocks. Such investments are exposed to various risks, such as market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risk in the near term would materially affect investment balances and the amounts reported in the financial statements.

The Institute of World Politics

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Tuition receivables: Tuition receivables are carried at original tuition contract amount, less an estimate made for doubtful receivables based on a review of all outstanding accounts on an annual basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible.

Contributions receivable: Contributions receivable are recognized when the donor makes a written promise to give to the Institute that is, in substance, unconditional. Contributions to be received in a future period are discounted to their net present value at the time the support is recorded. The Institute's contributions receivable are generally receivable over a one- to four-year period and are discounted at a rate of 2.00% per annum. The allowance for doubtful contributions receivable is based on management's experience with prior campaigns and its analysis of specific contributions receivable. Recoveries of promises to give previously written off are recorded as support as received. Based on management's evaluation of the collectability of the contributions receivable, no allowance for doubtful promises to give was recorded at July 31, 2021 and 2020.

Investments: Investments in equity securities with readily determinable fair values and all investments in debt securities are reflected at fair value. To adjust the carrying values of these securities, the change in fair value is recorded as a component of investment income in the statements of activities.

Split-interest agreement: The Institute is a trustee of certain assets under a split-interest agreement, which provides for payments to the donors of specified annuity amounts. Assets held under this agreement are reported as investments in split-interest agreement on the statements of financial position. Contribution revenue was recognized at the date of the agreement after providing for the present value of estimated future payments to be made to the donors. The annuity obligation liability is adjusted during the term of the agreements for accretion of the discount, payments made and other changes in the estimates.

Property and equipment: Acquisitions of property and equipment in excess of \$1,000 and which have useful lives greater than one year are recorded at cost and depreciated using the straight-line method over the useful lives of 3 to 40 years. Leasehold improvements are amortized using the straight-line method over the estimated life of the asset or the term of the lease, whichever is less.

Valuation of long-lived assets: The Institute reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

Debt issuance costs: The Institute paid certain customary fees as required to secure the long-term debt used to acquire real property. These fees have been capitalized and are being amortized over the loan period up to the initial redemption date. The unamortized portion of these costs are netted with the respective debt on the accompany statements of financial position. Amortization expense for the years ended July 31, 2021 and 2020, was \$20,478 and \$19,387, respectively.

Interest rate swap contract: The Institute follows the accounting standard for derivative instruments and hedging activities related to participation in an interest rate swap contract pertaining to certain long-term debt acquired. This standard requires that all derivative financial instruments be recognized in the financial statements at fair value. Changes in the fair value of the derivative instrument are recognized each period as a component of change in net assets.

The Institute of World Politics

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Revenue recognition: The Institute's activities are primarily supported through student tuition and fees, contributions and investment earnings.

Tuition and fees, and scholarship allowances are recognized ratably over the academic year. Tuition and fees received in advance are deferred and recognized ratably as revenue over the period in which the related instruction occurs. Allowances are made for uncollectible tuition and fees based on prior collection experience and economic factors, which in management's judgment, could influence the ability of students to repay outstanding amounts.

Unconditional contributions are recognized as revenue upon receipt or when unconditional promises to give are received. Contribution revenue is recorded as increases in net assets without donor restrictions, unless their use is limited by time or donor-imposed restrictions.

Conditional contributions are recognized when donor-imposed conditions are met. These revenues are subject to right of return if funds are not spent and also have barriers that must be met in order to be entitled to the funds. Accordingly, amounts received, but not yet recognized as revenue, are classified as deferred revenue in the statement of financial position. As of July 31, 2021, there are no additional revenues to be earned on various conditional grants.

Contributions of assets other than cash are recorded at their estimated fair value at the date of gift.

The Institute's share of bequests is recorded when the Institute has an irrevocable right to the bequest and the proceeds are measurable. Gifts in-kind are reported at their fair value at the date of the gift.

Functional allocation of expenses: The costs of providing various program and supporting services have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Accordingly, certain costs have been allocated between the programs and supporting services benefited. Salaries and benefits are allocated based on estimates of time and effort. All other expenses that are not directly related are allocated based on a percentage of time and effort for each department.

Income taxes: The Institute is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Institute is exempt from federal taxes on income other than unrelated business income. Income tax expense for the years ended July 31, 2021 and 2020, was insignificant. The Institute is not classified as a private foundation under Section 509(a)(1) of the IRC.

The Institute follows the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Institute may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position, are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes and accounting in interim periods.

Management evaluated the Institute's tax positions and concluded that the Institute has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

The Institute of World Politics

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Adopted accounting pronouncement: In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The amendments in this ASU create Topic 606, *Revenue from Contracts with Customers*, and supersede the revenue recognition requirements in Topic 605, *Revenue Recognition*, including most industry-specific revenue recognition guidance throughout the Industry Topics of the ASC. In summary, the core principle of Topic 606 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in this ASU were effective for the Institute for fiscal years beginning August 1, 2020. The Institute adopted this amendment on a modified prospective basis. The adoption did not have a material impact on the reported net assets as of August 1, 2020.

Recent accounting pronouncements: In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating with classification affecting the pattern of expense recognition in the statement of activities. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. ASU 2016-02 is effective for the fiscal year beginning on August 1, 2022. The Institute is currently evaluating the impact of the pending adoption of the new standard on the financial statements.

In July 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The amendment is intended to increase transparency of contributed nonfinancial assets for not-for-profit entities through enhancements in presentation and disclosure requirements. Entities will now be required to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial contributions. Entities will also be required to disclose various information related to contributed nonfinancial assets. ASU 2020-07 is effective for the fiscal year beginning August 1, 2021. The Institute is currently in the process of evaluating the impact of the new accounting guidance on the financial statements.

Subsequent events: The Institute received an unconditional gift of \$5,000,000 in November 2021 subsequent to year end. There are no restrictions associated with the gift which will be recognized as revenue in the fiscal year ending July 31, 2022.

The Institute has evaluated events and transactions for potential recognition or disclosure through December 14, 2021, which is the date the financial statements were available to be issued.

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Notes to Financial Statements

Note 2. Contributions Receivable

The anticipated receipts of contributions receivable at July 31, 2021 and 2020 are as follows:

	2021	2020
Less than one year	\$ 100,052	\$ 1,647,385
One to four year	400,000	502,500
	<u>500,052</u>	<u>2,149,885</u>
Less discount factor	(33,346)	(46,177)
	<u>\$ 466,706</u>	<u>\$ 2,103,708</u>

Note 3. Investments

Investments consist of the following at July 31, 2021 and 2020:

	2021	2020
Corporate stocks	\$ 3,306,849	\$ 3,284,373
Equity mutual funds	559,384	182,262
	<u>\$ 3,866,233</u>	<u>\$ 3,466,635</u>

Investment income for the years ended July 31, 2021 and 2020, is comprised of the following:

	2021	2020
Interest and dividends	\$ 35,156	\$ 74,700
Realized and unrealized gain	1,127,335	440,219
Investment fees	(21,319)	(21,761)
	<u>\$ 1,141,172</u>	<u>\$ 493,158</u>

Note 4. Split-Interest Agreement

Charitable gift annuity's investments at July 31, 2021 and 2020, are comprised of the following:

	2021	2020
Money market fund	\$ 3,914	\$ 10,240
Domestic equity mutual funds	247,988	195,957
International equity mutual funds	39,628	49,725
Fixed income mutual funds	152,552	126,489
	<u>\$ 444,082</u>	<u>\$ 382,411</u>

The Institute of World Politics

Notes to Financial Statements

Note 4. Split-Interest Agreement (Continued)

The following is a summary of the changes in the annuity obligation for the years ended July 31, 2021 and 2020:

	2021	2020
Beginning of the year	\$ 148,563	\$ 174,528
Payments to annuitant	(25,965)	(25,965)
End of the year	<u>\$ 122,598</u>	<u>\$ 148,563</u>

Note 5. Fair Value Measurements

The Fair Value Measurement Topic of the Codification defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined under this topic as assumptions market participants would use in pricing an asset or liability.

The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The types of investments in Level 1 include money market funds, equity securities, mutual funds, corporate and government bonds. As required by the Fair Value Measurement Topic, the Institute does not adjust the quoted price for these investments, even in situations where the Institute holds a large position and a sale could reasonably impact the quoted price.

Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly, and fair value is determined through the use of models or other valuation methodologies. The interest rate swap contract connected to the Institute's long-term debt is classified as a Level 2 instrument because its value is a function of the difference between the interest rate on the Institute's long-term debt and the rate in the swap agreement; hence, there are observable market-based inputs. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Level 3: Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Institute's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment. To determine the appropriate levels, the Institute performs a detailed analysis of the assets and liabilities that are subject to the Fair Value Measurement Topic.

The Institute of World Politics

Notes to Financial Statements

Note 5. Fair Value Measurements (Continued)

The tables below present the balances of assets and liabilities at July 31, 2021 and 2020, measured at fair value on a recurring basis by level within the hierarchy:

	2021			
	Total	Level 1	Level 2	Level 3
Assets:				
Restricted cash:				
Money market funds	\$ 1,365,607	\$ 1,365,607	\$ -	\$ -
Investments:				
Corporate stocks	\$ 3,306,849	\$ 3,306,849	\$ -	\$ -
Equity mutual funds	559,384	559,384	-	-
	<u>\$ 3,866,233</u>	<u>\$ 3,866,233</u>	<u>\$ -</u>	<u>\$ -</u>
Investments held for split-interest agreements:				
Domestic and international equity mutual funds	\$ 287,616	\$ 287,616	\$ -	\$ -
Fixed income mutual funds	152,552	152,552	-	-
Money market fund	3,914	3,914	-	-
	<u>\$ 444,082</u>	<u>\$ 444,082</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities				
Interest rate swap contract	\$ 210,261	\$ -	\$ 210,261	\$ -
Annuity obligation	\$ 122,598	\$ -	\$ -	\$ 122,598
2020				
	Total	Level 1	Level 2	Level 3
Assets:				
Restricted cash:				
Money market funds	\$ 430,302	\$ 430,302	\$ -	\$ -
Investments:				
Corporate stocks	\$ 3,284,373	\$ 3,284,373	\$ -	\$ -
Equity mutual funds	182,262	182,262	-	-
	<u>\$ 3,466,635</u>	<u>\$ 3,466,635</u>	<u>\$ -</u>	<u>\$ -</u>
Investments held for split-interest agreements:				
Domestic and international equity mutual funds	\$ 245,682	\$ 245,682	-	-
Fixed income mutual funds	126,489	126,489	-	-
Money market fund	10,240	10,240	-	-
	<u>\$ 382,411</u>	<u>\$ 382,411</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities:				
Interest rate swap contract	\$ 389,284	\$ -	\$ 389,284	\$ -
Annuity obligation	\$ 148,563	\$ -	\$ -	\$ 148,563

The Institute of World Politics

Notes to Financial Statements

Note 6. Property and Equipment

Property and equipment at July 31, 2021 and 2020, and the related accumulated depreciation, are as follows:

	2021	2020
Land	\$ 2,060,000	\$ 2,060,000
Building and improvements	8,521,598	8,521,598
Leasehold improvements	24,393	24,393
Furniture and equipment	256,120	202,493
Software and website development costs	610,343	583,073
	<u>11,472,454</u>	<u>11,391,557</u>
Less accumulated depreciation	(1,768,230)	(1,478,601)
	<u>\$ 9,704,224</u>	<u>\$ 9,912,956</u>

Note 7. Paycheck Protection Program Promissory Notes

On April 22, 2020, the Institute applied for and received \$718,275 from the Paycheck Protection Program (PPP) as part of the CARES Act. Funds from the note may only be used for payroll cost, interest on other debt obligations, leases, and utilities. The Institute used the entire loan amount for qualifying expenses. The Institute applied for and received loan forgiveness for the entire loan amount of \$718,275 on April 13, 2021. As the Institute has elected to record the loan under ASC Topic 740, the Institute has recognized \$718,275 for the forgiveness in the statement of activities for the year ended July 31, 2021. This loan forgiveness is subject to audit by the Small Business Administration for a period of six years after the forgiveness.

On February 23, 2021, the Institute applied for and received a second loan of \$718,275 from the PPP as part of the CARES Act. Funds from the note may only be used for payroll cost, interest on other debt obligations, leases, and utilities. The Institute intends to use the entire loan amount for qualifying expenses. The Institute will be applying for loan forgiveness, which could be granted if the Institute meets the necessary conditions. As of July 31, 2021, the Institute has elected to record the loan as debt under the Codification Topic 470. Under Topic 470, the Institute will recognize income for any amount forgiven when formally approved. If forgiveness is not granted, the note matures on February 23, 2026, and incurs interest at 1% for the term of the note. The note may be prepaid at any time by the Institute without penalty.

Note 8. Lines of Credit

On September 26, 2016, the Institute obtained a line of credit with SunTrust Bank for \$500,000, which requires monthly payments of interest at a variable rate of London Interbank Offered Rate (LIBOR), plus 1.75% per annum. On June 29, 2020, the Institute amended the line of credit with SunTrust Bank to \$350,000, which requires monthly payments of interest at a variable rate of London Interbank Offered Rate (LIBOR), plus 1.75% per annum. The interest rate is not to exceed the maximum interest rate permitted by applicable law, nor less than 2.75% per annum. The line of credit expired December 31, 2020 and was not extended. There was an outstanding balance of \$350,000 at July 31, 2020.

The Institute of World Politics

Notes to Financial Statements

Note 9. Long-Term Debt

On September 26, 2016, the Institute closed on its purchase of land and building for \$10.3 million, which includes the space it previously leased. In connection with the purchase of the leased property, the Institute obtained partial financing through the issuance of \$8.5 million District of Columbia Revenue Bonds, Series 2016 (the Bonds). The Bonds were purchased by SunTrust (the Bank) and mature on October 1, 2041, and are subject to mandatory repurchase on October 1, 2026. The Bonds are secured by all facilities of the Institute.

The Bonds bear interest at the adjusted LIBOR, which is the per annum rate equal to the product of (x) 70%, multiplied by the sum of (i) LIBOR, plus (ii) 183 basis points and (y) the Margin Rate Factor, which is 1.0 and subject to adjustments based on changes in the Maximum Federal Corporate Tax Rate, which as of July 31, 2021 and 2020, was 1.6% and 1.7%, respectively. Principal and interest payments began November 1, 2016.

Notes payable, net, consists of the following at July 31, 2021 and 2020:

	2021	2020
Notes payable	\$ 7,252,000	\$ 7,527,000
Less unamortized debt issuance costs	(74,167)	(94,645)
	<u>\$ 7,177,833</u>	<u>\$ 7,432,355</u>

Annual principal payments on the Bonds are due in future years as follows:

	Amount
Years ending July 31:	
2022	\$ 282,000
2023	289,000
2024	295,000
2025	303,000
2026	310,000
Thereafter	5,773,000
	<u>\$ 7,252,000</u>

To protect the Institute against a rise in interest rates, the Institute executed an interest rate swap agreement, whereby the Institute receives a variable interest rate of 70% of LIBOR and pays a fixed rate of 1.073%. The all-in synthetic fixed rate is 2.619% after factoring in the bond credit spread of 1.281%. The notional amount is equal to the declining principal of the Bonds as required principal payments are made. The swap was effective on September 26, 2016, and terminates on October 1, 2026. The Institute recognized a gain of \$179,023 and a loss of \$455,288 under this swap contract for the years ended July 31, 2021 and 2020, respectively.

Under the Bond agreement, the Institute is subject to a number of covenants, including requirements to maintain a specified debt service coverage ratio and a minimum unrestricted liquidity of no less than \$1 million at the end of each fiscal year. The Institute was not in compliance with two of the financial covenants for the year ended July 31, 2020, which was waived by the lender on January 29, 2021. The Institute was in compliance with all debt covenant requirements for the year ended July 31, 2021.

Interest expense for the years ended July 31, 2021 and 2020, was \$203,023 and \$257,750, respectively.

The Institute of World Politics

Notes to Financial Statements

Note 10. Commitments and Contingencies

Employment agreement: The Institute has in place a signed employment agreement with its Chancellor, which expires on July 31, 2023, subject to the termination provisions in the agreement. Under the agreement, the Chancellor is entitled to a one-year sabbatical, or alternatively, two half-year sabbatical leaves, during which he is entitled to all of the benefits and annual compensation provided under his agreement. As of July 31, 2021 and 2020, no accrual has been made for the sabbatical as it has been determined that the Chancellor will perform services during the sabbatical period which will benefit the Institute.

Capital leases: The Institute has entered into three capital leases for purposes of acquiring office equipment, which expire at various dates through fiscal 2023. Future minimum lease payments due under the equipment leases in effect at July 31, 2021, are as follows:

Years ending July 31:	
2022	\$ 11,527
2023	7,902
2024	2,290
2025	1,658
	<u>\$ 23,377</u>

Federal program: The Institute participates in federally assisted programs, which are subject to financial and compliance audits by the grantors or their representatives. As such, there exists a contingent liability for potential questioned costs that may result from such audits. These grants are related to student financial aid. Management does not anticipate any significant adjustments as a result of such audits.

Uncertainties: On January 30, 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak a “Public Health Emergency of International Concern” and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of COVID-19 include restrictions on travel, and quarantine in certain areas, and forced closures for certain types of public places and businesses. COVID-19 and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries. It is unknown how long these conditions will last and what the complete financial effect will be on the Institute. The extent of the impact of COVID-19 on the Institute’s operations and financial performance are uncertain and cannot be predicted. Management is continually monitoring the impact of COVID-19.

The Institute of World Politics

Notes to Financial Statements

Note 11. Net assets with donor restrictions

During the years ended July 31, 2021 and 2020, changes in net assets with donor restrictions were as follows:

	2021			
	July 31, 2020	Additions/ Investment Income (Loss)	Releases	July 31, 2021
Subject to expenditure for a specific purpose or period:				
Aldona scholarship	\$ 63,000	\$ 100,000	\$ (78,750)	\$ 84,250
PhD program	44,276	440,000	(233,656)	250,620
Time restricted pledges	2,105,051	564,049	(1,741,950)	927,150
Other	250,548	672,766	(150,683)	772,631
	<u>2,462,875</u>	<u>1,776,815</u>	<u>(2,205,039)</u>	<u>2,034,651</u>
Subject to IWP spending policy and appropriation:				
Kosciuszko Chair Endowment – income (loss)	156,554	691,362	(130,078)	717,838
Hayes Endowment – income (loss)	81,295	129,297	(16,923)	193,669
	<u>237,849</u>	<u>820,659</u>	<u>(147,001)</u>	<u>911,507</u>
Donor-restricted endowment funds:				
Kosciuszko Chair Endowment (corpus)	2,015,879	-	-	2,015,879
Hayes Endowment (corpus)	500,000	-	-	500,000
	<u>2,515,879</u>	<u>-</u>	<u>-</u>	<u>2,515,879</u>
Total net assets with donor restrictions	<u>\$ 5,216,603</u>	<u>\$ 2,597,474</u>	<u>\$ (2,352,040)</u>	<u>\$ 5,462,037</u>

	2020			
	July 31, 2019	Additions/ Investment Income (Loss)	Releases	July 31, 2020
Subject to expenditure for a specific purpose or period:				
Aldona scholarship	\$ 115,500	\$ -	\$ (52,500)	\$ 63,000
PhD program	57,712	160,000	(173,436)	44,276
Time restricted pledges	993,741	1,547,310	(436,000)	2,105,051
Other	369,117	44,510	(163,079)	250,548
	<u>1,536,070</u>	<u>1,751,820</u>	<u>(825,015)</u>	<u>2,462,875</u>
Subject to IWP spending policy and appropriation:				
Kosciuszko Chair Endowment – income (loss)	(19,076)	282,958	(107,328)	156,554
Hayes Endowment – income (loss)	41,663	56,463	(16,831)	81,295
	<u>22,587</u>	<u>339,421</u>	<u>(124,159)</u>	<u>237,849</u>
Donor-restricted endowment funds:				
Kosciuszko Chair Endowment	2,005,879	10,000	-	2,015,879
Hayes Endowment	500,000	-	-	500,000
	<u>2,505,879</u>	<u>10,000</u>	<u>-</u>	<u>2,515,879</u>
Total net assets with donor restrictions	<u>\$ 4,064,536</u>	<u>\$ 2,101,241</u>	<u>\$ (949,174)</u>	<u>\$ 5,216,603</u>

The Institute of World Politics

Notes to Financial Statements

Note 12. Endowment

The Institute follows the FASB Codification topic related to endowments of nonprofit organizations, which provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). UPMIFA is a model act approved by the Uniform Law Commission (ULC, formerly known as the National Conference of Commissioners on Uniform State Laws) that serves as a guideline for states to use in enacting legislation. In 2008, the District of Columbia enacted UPMIFA. Under UPMIFA, all unappropriated endowment fund assets are considered restricted.

The Board of Trustees has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Institute classifies as endowments held in perpetuity: (a) the original value of gifts donated to the endowments held in perpetuity, (b) the original value of subsequent gifts to the endowments held in perpetuity and (c) accumulations to the endowments held in perpetuity made in accordance with the direction of applicable donor gift instruments at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in endowments held in perpetuity is classified as donor-restricted net assets until those amounts are appropriated for expenditure by the Institute in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Institute considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Institute and the donor-restricted endowment fund
- General economic conditions
- The possible effects of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Institute
- The investment policies of the Institute

The Institute's endowment consists of five individually named endowments funds, two of which are restricted by donors to be invested in perpetuity with three others board-designated to function as endowments (quasi-endowment) to support mainly qualifying faculty appointments and scholarships. Assets related to the endowment funds are included in the investments and restricted cash in the statements of financial position. As required by the accounting principles generally accepted by the United States of America (GAAP), net assets associated with donor-restricted endowment funds are classified as net assets with donor restrictions.

Funds with deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Institute to retain as a fund for perpetual duration. In accordance with GAAP, deficiencies of this nature are reported as a reduction of net assets with donor restrictions. There were no deficiencies as of July 31, 2021 and 2020.

Return objectives and risk parameters: Management of the endowment assets is designed to ensure a total return (income, plus capital change) necessary to preserve and enhance (in real dollar terms) the principal of the fund and, at the same time, provide a dependable source of support for current operations and programs. Therefore, the Institute's goal for its endowment funds is to preserve and enhance purchasing power after accounting for investment returns, spending and inflation (but excluding gifts).

The Institute of World Politics

Notes to Financial Statements

Note 12. Endowment (Continued)

Strategies employed for achieving objectives: Reasonable diversification is sought at all times. Experience has shown financial markets and inflation rates are cyclical and, therefore, control of volatility will be achieved through diversification of asset classes and selection of managers of diverse investment styles. The Board of Trustees examines the correlation of the investment portfolio and it has historically had positive returns.

Spending policy: For the Hayes endowment, the Institute's policy is to appropriate 3% of the average of the previous three fiscal years' beginning period endowment values each year.

For the Kosciuszko Chair endowment, the Institute's policy is to appropriate no more than 5% of the December 31 fund value of the most recent calendar year.

The Institute's endowment balances, by net asset classification, are as follows as of July 31, 2021 and 2020:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment	\$ 270,676	\$ -	\$ 270,676
Donor-restricted endowment	-	3,427,386	3,427,386
	<u>\$ 270,676</u>	<u>\$ 3,427,386</u>	<u>\$ 3,698,062</u>

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment	\$ 175,934	\$ -	\$ 175,934
Donor-restricted endowment	-	2,753,728	2,753,728
	<u>\$ 175,934</u>	<u>\$ 2,753,728</u>	<u>\$ 2,929,662</u>

The change in endowment net assets for the years ended July 31, 2021 and 2020, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, as of July 31, 2019	\$ 185,319	\$ 2,528,466	\$ 2,713,785
Investment income, net	23,924	339,421	363,345
Contributions	(32,495)	10,000	(22,495)
Releases	(814)	(124,159)	(124,973)
Endowment net assets, as of July 31, 2020	175,934	2,753,728	2,929,662
Investment income, net	52,489	820,659	873,148
Contributions	44,972	-	44,972
Releases	(2,719)	(147,001)	(149,720)
Endowment net assets, as of July 31, 2021	<u>\$ 270,676</u>	<u>\$ 3,427,386</u>	<u>\$ 3,698,062</u>

The Institute of World Politics

Notes to Financial Statements

Note 13. Higher Education Emergency Relief Funds

The Institute received distributions under the Higher Education Emergency Relief Funds (HEERF) provisions of the CARES Act. The recognition of revenue related to these funds is conditioned upon the Institute meeting certain terms and conditions including using HEERF payments to reimburse the Institute for qualifying expenses or lost revenue attributable to coronavirus (COVID-19). The Institute received \$482,232 of HEERF payments. The full amount was spent on eligible expenses. The Institute recognized \$462,464 as Higher Education Emergency Relief Funds revenue and \$18,768 as student tuition and fees revenue on the statement of activities for the year ending July 31, 2021.

Note 14. Pension Plan

The Institute maintains a salary reduction defined contribution retirement plan pursuant to Section 403(b) of the IRC. The Institute, at its option, may contribute to the plan on behalf of its eligible employees. Currently, the Institute contributes a match up to 5% of employee salaries. Pension expense totaled \$122,182 and \$96,297 for the years ended July 31, 2021 and 2020, respectively.

Note 15. Liquidity and Availability

The Institute is substantially supported by both annual tuition and restricted contributions and endowments. Because a donor's restriction requires resources to be used in a particular manner, the Institute must maintain sufficient resources to meet those responsibilities to its donors. As part of the Institute's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due. The Institute operates within its budget and monitors reserves to provide reasonable assurance obligations can be satisfied when due. In addition, the board designates a liquidity reserve of \$270,676 and \$175,934 for the years ended July 31, 2021 and 2020, respectively, that can be drawn upon in the event of financial distress or an immediate liquidity need.

The following represents the Institute's financial assets at July 31, 2021 and 2020:

	2021	2020
Cash and cash equivalents	\$ 2,782,514	\$ 503,020
Restricted cash	1,365,607	430,302
Tuition receivables, net	85,803	124,754
Contributions receivable, net	466,706	2,103,708
Investments	3,866,233	3,466,635
Investments held for split-interest agreements	444,082	382,411
Total financial assets	<u>9,010,945</u>	<u>7,010,830</u>
Less refundable advances held	(1,270,560)	(1,101,529)
Less annuity obligations	(122,598)	(148,563)
Less net assets with donor restrictions	(5,462,037)	(5,216,603)
Less board designated amounts	<u>(270,676)</u>	<u>(175,934)</u>
Financial assets available to meet operating needs over the next 12 months	<u>\$ 1,885,074</u>	<u>\$ 368,201</u>



RSM US LLP

Independent Auditor's Report on the Supplementary Information

Executive Committee
The Institute of World Politics

We have audited the financial statements of The Institute of World Politics (the Institute) as of and for the years ended July 31, 2021 and 2020, and have issued our report thereon, which contains an unmodified opinion on those financial statements. See pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Washington, D.C.
December 14, 2021

The Institute of World Politics

Financial Responsibility Ratio Supplemental Schedule
July 31, 2021

Financial Statement & Financial Statement Line Item or Footnote Disclosure	Financial Statement Line Item Amount	Amount Used for Ratio
Primary Reserve Ratio		
Expendable Net Assets		
Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions	\$ 3,648,255
Statement of Financial Position - Net assets with donor restrictions	Net assets with donor restrictions	5,462,037
Note 11 to the Financial Statements - Net Assets with Donor Restrictions - Donor-restricted endowment funds	Net assets with donor restrictions; restricted in perpetuity	2,515,879
N/A	Annuities with donor restrictions	-
N/A	Term endowments with donor restrictions	-
N/A	Life income funds with donor restrictions	-
N/A	Secured and unsecured related party receivable	-
N/A	Unsecured related party receivable	-
N/A	Property, plant and equipment, net, including construction in progress	9,704,224
N/A	Property, plant and equipment; pre-implementation, leases grandfathered	-
N/A	Property, plant and equipment; post-implementation - with outstanding debt for acquisition	-
Statement of Financial Position - Property and equipment, net	Property, plant and equipment; post-implementation - without outstanding debt for acquisition	9,704,224
N/A	Construction in progress	-
N/A	Lease right of use assets, net	-
N/A	Lease right of use assets; pre-implementation, leases are grandfathered	-
N/A	Lease right of use assets; post-implementation	-
Statement of Financial Position - Website Development Costs	Intangible assets	-
N/A	Post-employment and pension liabilities	-
Note 9 to the Financial Statements - Long-term Debt - Notes payable	Long-term debt; for long term purposes	7,177,833
Note 9 to the Financial Statements - Long-term Debt - Notes payable	Long-term debt; for long term purposes pre-implementation, debt grandfathered	7,177,833
N/A	Long-term debt; for long term purposes post implementation	-
N/A	Line of Credit for Construction in progress	-
N/A	Right of use asset lease obligation	-
N/A	Right of use asset lease obligation; pre-implementation, leases grandfathered	-
N/A	Right of use asset lease obligation; post-implementation	-
Total Expendable Net Assets		4,068,022
Total Expenses and Losses		
Statement of Activities - Total expenses	Total expenses without donor restrictions	6,855,143
N/A	Investment loss, net investment return appropriated for spending	-
N/A	Other components of net periodic pension costs	-
N/A	Change in value of split interest agreements	-
N/A	Other losses	-
N/A	Pension-related changes other than net periodic pension costs	-
N/A	Non-operating and net investment loss	-
N/A	Investment loss, net investment return appropriated for spending	-
N/A	Pension-related changes other than net periodic costs	-
Total expenses and losses		6,855,143
Equity Ratio		
Modified Net Assets		
	Net assets without donor restrictions	3,648,255
	Net assets with donor restrictions	5,462,037
Statement of Financial Position - Website Development Costs	Intangible assets	-
N/A	Secured and Unsecured related party receivable	-
N/A	Unsecured related party receivable	-
Total modified net assets		9,110,292
Modified Assets		
Statement of Financial Position - Total assets	Total assets	18,856,651
N/A	Lease right-of-use asset; pre-implementation, leases grandfathered	-
N/A	Lease right-of-use liability; pre-implementation, leases grandfathered	-
N/A	Intangible assets	-
N/A	Secured and Unsecured related party receivable	-
N/A	Unsecured related party receivable	-
Total modified assets		18,856,651
Net Income Ratio		
Change in Net Assets Without Donor Restrictions		
Statement of Activities - Change in net assets without donor restrictions	Change in Net Assets Without Donor Restrictions; increase (decrease)	2,165,568
Total Revenue and Gains		
Statement of Activities - Total revenue and support without donor restrictions	Total revenue without donor restrictions, including net assets released from restrictions	8,841,689
N/A	Net investment return appropriated for spending	-
N/A	Total net investment return, including investment return appropriated for spending	-
N/A	Change in value of split-interest agreements	-
N/A	Other gains	-
N/A	Pension-related changes other than net periodic pension	-
Total revenues and gains without donor restrictions		8,841,689